

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-392-S - ORDER NO. 2009-35
JANUARY 23, 2009

IN RE: Application of Palmetto Utilities, Inc. for) ORDER APPROVING
Approval of Its Shareholders' Transfer of all) PALMETTO UTILITIES,
Authorized and Issued Stock to Wateree) INC.'S SHAREHOLDERS'
Utilities Holding, Inc.) TRANSFER OF STOCK

This proceeding is governed by 26 S.C. Code Ann. Regs. §103-504 (Supp. 2008). In this proceeding Palmetto Utilities, Inc. ("PUI" or "Applicant") applies to the Public Service Commission of South Carolina ("Commission") for approval of its shareholders' transfer of all authorized and issued shares of stock in PUI to Wateree Utilities Holding, Inc. ("Wateree Utilities"). If the transfer is approved, PUI asserts that it will remain the certificated, jurisdictional utility providing sewer service in its authorized territory and that the transfer will not result in any alteration of service or rates to customers or effect a transfer of PUI's certificate or assets. Asserting that the transfer will not affect customers, the Applicant requests that the Commission waive a hearing in this matter.

Notice of the proposed transfer was published on October 31, 2008, in *The State* newspaper, which serves the area affected by the application. Also, notice of the proposed transfer was delivered via first class US mail on November 5, 2008, to all PUI shareholders as attested to by PUI's president. No interested persons filed a protest or moved to intervene. Furthermore, on December 5, 2008, the Office of Regulatory Staff ("ORS") filed a letter with the Commission stating that it has no objections to the

proposal. Based on these factors, we find and hold that a hearing is unnecessary and waived.

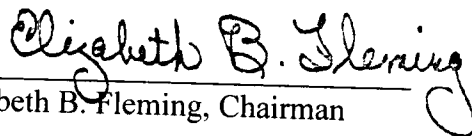
PUI is currently certificated by this Commission to provide sewer service to the public for compensation in portions of Richland and Kershaw Counties, South Carolina and its operations are subject to the Commission's jurisdiction. Wateree Utilities is a Delaware corporation authorized to conduct business in the State of South Carolina by the South Carolina Secretary of State. According to PUI, Wateree Utilities was formed by the holders of all authorized and issued shares of PUI for the express purpose of allowing Wateree Utilities to acquire and hold 100% of the shares of PUI, and ultimately PUI's shareholders will exchange all of their shares in PUI for shares in Wateree Utilities, whereby Wateree Utilities will become the sole shareholder of PUI.

PUI's application details the reasons for the shareholders' desire for the proposed transfer. In short, there are certain tax and financing advantages for PUI's shareholders which would accrue to them by way of Wateree Utilities' proposed ownership of PUI shares, as well as certain minority shareholder rights which would be better defined under Delaware law as applied to Wateree Utilities' shareholders. The Commission finds the request reasonable and consistent with the public interest given that the proposed transfer will not result in any alteration of service or rates to customers or effect a transfer of PUI's certificate or assets.

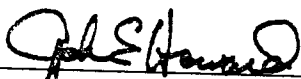
Therefore, the Commission approves the transfer of all authorized and issued shares of stock in Palmetto Utilities, Inc. to Wateree Utilities Holding, Inc.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:


John F. Howard, Vice Chairman
(SEAL)